

BUSINESS IN BRIEF

The Boston Globe

## Judge grants Alpha Omega request to retain officials

January 11, 2008

**NOTE:** A correction to the Alpha Omega brief below appears at the bottom of this page.

### THE REGION

A federal bankruptcy judge granted Alpha Omega Jewelers' request to allow Consensus Advisors LLC's Michael O'Hara and Altman and Co. LLC's Gordon Lewis to continue serving as chief restructuring officer and chief financial officer, respectively, through the company's Chapter 11 bankruptcy and auction of assets. The US Trustee's Office filed an emergency motion Wednesday night asking Judge William C. Hillman to appoint a trustee to take over the duties of the company's board of directors after the company's founders had left the country and a review failed to account for \$6.6 million in inventory. (Nicole Wong)

### State Street, 2 states in talks on bond funds

[State Street Corp.](#) is moving to resolve issues with Alaska and Idaho over declines in bond funds. State Street will pay \$6.3 million to Alaska public employees, an official for that state's Department of Revenue said. The executive director of the Public Employee Retirement System of Idaho said it is in talks to resolve similar issues. State Street last week set aside \$618 million for costs stemming from investment tied to subprime mortgages, and faces lawsuits alleging it made investments that were too aggressive. Neither state sued State Street. A State Street spokeswoman declined to comment on discussions with individual states but said the company will "defend ourselves against inappropriate claims including those that seek recovery of investment losses arising solely from unprecedented market conditions." (Ross Kerber)

### Kadant sued by consumers over defective products

Kadant Inc., a Westford maker of paper-producing equipment, said a group of consumers who bought defective decking and railing products filed a complaint last month in US District Court in Massachusetts seeking more than \$5 million in compensatory damages. Kadant said the defective products were made by a business called Kadant Composites LLC between April 2002 and October 2003. Kadant sold that business in October 2005. Both Kadant Composites and the buyer's parent company have also been named as defendants in the suit, the company said. (AP)

### Fidelity study finds debt slows retirement investing

High consumer debt is slowing the growth in retirement savings accounts, according to a study released by Fidelity Investments. The Boston-based mutual fund company found that just one in three employees of nonprofit organizations increased their contributions to job-based savings plans in 2007. Some 44 percent of participants in the survey also said they had personal debt exceeding \$5,000, not including their mortgages, the study found. (AP)

### THE NATION

### Banks fail to see global warming's risk to income

Many of the world's largest banks aren't calculating and disclosing the risks in their loan portfolios posed by global warming, an investor group said in a report. Some banks have issued reports on climate change and set targets to reduce their greenhouse-gas emissions, according to the report released yesterday from Ceres, a coalition of 119 investor and environmental groups including the Sierra Club and the World Wildlife Fund. Most banks have done little to raise climate change as a governance priority or adopt lending rules that account for global warming, Ceres said. (Bloomberg)

### Clear Channel buyout by Boston firms approved

The Federal Communications Commission unanimously approved the \$19.5 billion buyout of Clear Channel Communications Inc. by Thomas H. Lee Partners Inc. and Bain Capital LLC, according to two people at the agency. The 5-to-0 vote was taken in private, said two FCC staff members who requested anonymity because the decision hasn't been made public. The deal still requires approval by the Justice Department. (Bloomberg)

### FTC to evaluate credit freeze as ID theft deterrent

The Federal Trade Commission said it is seeking comments by Feb. 25 on the effectiveness of credit freezes in combating identity theft. Consumers can ask credit reporting agencies to put a freeze on their credit reports as a way to prevent identity theft, because most banks and other companies won't extend credit or open a new account without being able to access such a report. (AP)

FOR THE RECORD

**Alpha Omega story corrected**

*Because of a reporting error, a brief in the Business section on Jan. 11 inaccurately described a motion filed by the US Trustee's Office in the Alpha Omega Jewelers bankruptcy case. The item incorrectly stated that the Trustee's Office was seeking to replace the company's chief restructuring officer, Michael O'Hara of Consensus Advisors LLC, and its chief financial officer, Gordon Lewis of Altman and Co. LLC. In fact, the Trustee's Office praised the work of O'Hara and Lewis, both of whom recently joined Alpha Omega to assist in a restructuring. The motion asked the court to appoint a trustee to take over the duties of the company's board of directors after the company's founders had left the country and a review failed to account for \$6.6 million in inventory. ■*

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